2004 Elderly Homeowner/Renter Credit

File on or before April 15, 2005, or with your Form 2 or 2S

MONTANA 2EC Rev. 8-04

Please follow instructions on the back when completing this form

Return will not be proces	ease attach tax bill or			receipt(s)	
Part I Last Name	Your First Name & Middle Initial		Social Security No.	If you are fili	•
Spouse's Last Name if Different	Spouse's First Name & Middle Initia	al Deceased	Spouse's Social Security No.	deceased ta	
Mailing Address	City	State	Zip Code+4	death	
Part II - If the answer to any of the questions b		e for the credit. Do	not complete this schedule.		
Were you age 62 or older as of DecembeDid you reside in this state for 9 months or		a total of 6 m	y Montana residence(s) as a onths or more during 200- I gross household income	4?	Yes No
during 2004?		\$45,000 in 20			υυ
 Part III - List taxable and nontaxable incom Enter total income received from wage dividends and interest. Do not include Enter total income from business, partr Enter any payments and interest on fed Enter alimony, public assistance, unem Enter all pensions, annuities, and IRA's all social security income except social Total income - add lines 1 through Standard exclusion	s, fees, bonuses, all capita any losses nerships, rents, royalties, e deral, state, county and mu ployment, tax refunds, stat is including Railroad Retirer security paid directly to a in 5. If greater than \$45,000	Il gains, ordinary in tree of the control of the co	c any losses	2	
8. Total household income - subtract Part IV - Homeowners complete line 9; F	·	·	ro) I otal	8	
Enter all 2004 property taxes, fees, seesidence and land not to exceed 1 acr	special assessments, and	SIDs <u>billed</u> on	9		
10. Enter rent paid on residence in 2004 (11. Rent equivalent - multiply line 10 by 112. Total of allowable property tax and/or	5% (.15)				
(line 9 for homeowners; line 11 for re	nters)			. — .	
13. Total household income from line 8.14. Enter multiplier figure from table on r					
15. Net allowable household income - m	ultiply line 13 by line 14			15	
16. Subtract line 15 from line 12. If zero or					
17. First, enter the amount from line 16 or Then, if line 6 is \$35,000 or less, ent If line 6 is more than \$35,000, compl	er the amount from line 17 ete lines 18 and 19 below.	on line 19 (skip li	ne 18).		
18. Enter the percentage amount from the The amount on line 6 is between: \$35,000 - \$37,500 40% (.40) \$37,501 - \$40,000 30% (.30) \$40,001 - \$42,500 20% (.20)	e credit 1 : I	The amount on ine 6 is between: \$42,501 - \$44,999 \$45,000 - or more	Your allowable cred percentage is:		
19. Multiply the amount on line 17 by the per ➢ If you file a Montana income tax retu ➢ If you file a Montana income tax retu ➢ If you are not required to file either Form If you wish to use direct deposit enter your R	urn using Form 2 (long forn rn using Form 2S (short fo 2 or Form 2S, mail this form	m), enter the amou rm), enter the amou to: Montana Depart	unt from line 19 on line 58 punt from line 19 on line 3 ment of Revenue, PO Box 6 this form.	of Form 2. 3 of Form 2S.	59604-657
RTN# ACI	CT#	on in this return	Checking Savings Savings and attachment is true	Direct Deposit, correct and co	mplete.
Your Signature is Required D	ate Telephone Nun	<u> </u>	use's Signature	Date	103

Elderly Homeowner/Renter Credit

Instructions (primary residence only)

The elderly homeowner or renter credit is for your use if you're 62 years old or older. A credit for your property taxes assessed or rent paid may be used against your state income tax liability or as a direct refund even if you're not required to file a Montana income tax return.

Please read the instructions and complete the form to see if you qualify for the credit.

Additional help is available by calling (406) 444-6900 or TDD (406) 444-2830.

Part II - Answer all questions. If the answer to any question is "No", you are not eligible for the credit.

Part III - Lines 1-5. Household Income. On lines 1 through 5 enter income from all sources received by you and any other persons with whom you share a household. Include taxable and nontaxable income. Do not include any losses on lines 1 through 5. If income exceeds \$45,000, do not go any further. You are not entitled to the refund.

Income for purposes of the refund means federal adjusted gross income, without regards to loss, plus all nontaxable income including but not limited to:

- a. Amount of any pension or annuity, including railroad retirement and veteran's disability benefits
- b. Amount of capital gains excluded from adjusted gross income
- c. Alimony and support money
- d. Nontaxable strike benefits
- e. Cash public assistance and relief
- f. Payments and interest on federal, state, county and municipal bonds
- g. All payments received under federal social security except social security paid to a nursing home.
- h. For above items (a-g), income is reduced by taxpayer's basis.

Line 6 - Enter total income.

Line 7 - Standard exclusion.

Line 8 - Subtract the amount on line 7 from line 6 and enter balance. (If less than zero enter zero)

Trusts: 2004 property taxes billed on a residence held in a <u>revocable trust</u> which are paid by an eligible claimant are allowable. The eligible claimant and their spouse must be the only trustees of the revocable trust.

If the property occupied by an eligible claimant is in a name other than the claimant, the property taxes billed are allowable only as rent. This includes irrevocable or family trusts.

Qualifying individuals who place a residence in a <u>life estate</u> and who pay the property tax may claim the taxes when calculating this credit.

Mail this form to: Montana Department of Revenue, PO Box 6577, Helena MT 59604-6577.

Household Income Reduction Table If your Household income				
on line 8 is: At least this amount	more than	Your multiplier for line 14 is:		
\$ 0	1,999	0		
2,000	2,999	.006		
3,000	3,999	.016		
4,000	4,999	.024		
5,000	5,999	.028		
6,000	6,999	.032		
7,000	7,999	.035		
8,000	8,999	.039		
9,000	9,999	.042		
10,000	10,999	.045		
11,000	11,999	.048		
12,000 and over		.050		

Part IV-Homeowners

Line 9 - Include a copy of your property tax bill or a letter from your county treasurer showing the total property taxes billed and assessed for 2004 on your primary residence.

The property taxes allowed on line 9 of the 2004 2EC are the total taxes billed on your November 2004 property tax statement on your residence and surrounding land (not to exceed one acre). This amount includes all special assessments and fees. The 2004 2EC is based on 2004 property taxes billed, not the property taxes actually paid.

Land surrounding the eligible residence for the Elderly Homeowner/ Renter Credit is the one acre homesite associated with the primary residence.

If the one acre homesite is not separately identified on the tax bill from other land, and the ownership is less than 20 acres, the allowable deduction shall be calculated as follows: total amount of property tax billed on the land, divided by the total acreage to equal the allowable amount of property tax used in the credit calculation.

If the land is classified as forest land, agricultural land or non-qualifying agricultural land and the one acre homesite is not separately identified on the tax bill, you must contact your local county assessor's office for the computation.

Skip lines 10 and 11 and enter your allowable tax from line 9 on line 12. **Part IV-Renters**

Signed rent receipts must be attached.

Renters of county or municipal housing authority dwellings are eligible to apply.

When a taxpayer lives in a health care, long-term care, personal care or residential care facility, the rent allowed is the actual out of pocket rent paid. If an adequate breakdown between rent and amenities paid is not provided, the rent allowed will be limited to \$20 per day (not to exceed \$7,300).

Line 10 - Enter the amount of rent you paid in 2004. Signed rent receipts must be attached.

Line 11 - Multiply line 10 by 15% (.15). Enter the result here and on line 12.

Part IV-Homeowners and Renters

If you own your home and rent the land or rent your home and own the land enter 2004 taxes billed on line 9. Enter your rent paid on line 10. Add lines 9 and 11 and enter total on line 12.

- Line 13 Enter your household income from line 8.
- **Line 14** From the table below enter your multiplier based on your household income from line 13.
- **Line 15** Multiply line 13 by line 14 and enter the result.
- Line 16 Subtract line 15 from line 12. (Number entered cannot be less than zero)
- **Line 17** First, enter the amount from line 16 or \$1,000, whichever is smaller. Then follow instructions as applicable to income shown on line 6.
- **Line 18** Enter the applicable percentage from the table. If total income from line 6 is between \$35,000 and \$45,000, the Elderly Homeowner/Renter Credit must be prorated. If line 6 income is more than \$45,000, no credit is allowed.
- **Line 19** This is the allowable Elderly Homeowner/Renter Credit. Mail this form (and tax return if required to file) to the address shown on the front of Form 2EC.



If you wish to use direct deposit, enter your RTN# and ACCT# in the appropriate spaces. The routing number must be nine digits. The account number can be up to 17 characters (both numbers and letters). If routing and accounting numbers are not correct, the direct deposit will be rejected and a check will be mailed to you instead.